

AD/ER
THRU : CH/C
Chief, D/E

19 February 1953

IWO Proposal for Establishment of Current Intelligence Unit

Transmitted herewith is a staff study for the implementation of the IWO proposal. The IWO proposal received the unanimous concurrence of the Executive Committee of KDAC at its meeting on 18 February.

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Distribution:

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STAFF STUDY

**IWG PROPOSAL FOR ESTABLISHMENT OF PROCEDURE FOR
PROCESSING CURRENT ECONOMIC DEFENSE INTELLIGENCE**

THE PROBLEM:

To implement the request of the Intelligence Working Group for the designation of a unit in CIA to record, abstract, collate and evaluate current economic defense intelligence on a case-by-case basis.

DISCUSSION:

This request is for a considerable extension of the work of CIA in the processing of current intelligence concerning Soviet Bloc procurement and attempted procurement of strategic commodities and services in non-Soviet countries. It calls for recording and abstracting incoming reports regarding current transactions or negotiations in East-West trade on a case-by-case basis and for analysis, collation and evaluation by appropriate CIA analysts. It would require processing all pertinent Department of State and NSA cables and despatches, CIA and other intelligence reports (C-2, JMWAVE, etc.). Excluded from this particular request would be material concerning economic defense measures per se, export control regulations, and Soviet Bloc capabilities and vulnerabilities.

Experience indicates receipt of an average of 15 new cases per day. In addition, approximately 25 documents daily must be examined in connection with cases previously reported.

A records section will prepare cards indexed or cross referenced by commodity, by country and by name. These cards would be available for analysts of CIA and other IWG agencies, subject to security regulations.

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for use in the preparation of aggregative studies, studies of patterns of clandestine trade and other Economic Defense problems.

The use of the Intellofax and IRI systems in connection with this intelligence support unit is considered infeasible because of the delay involved. Those facilities will be used, however, in confirming or supplementing the records in the unit.

In appropriate cases, the intelligence produced in accordance with the foregoing may be disseminated by memorandum to the members of IWG. The unit would also be responsible for preparing or editing contributions relating to current transactions in East-West trade for publication in the proposed "Economic Defense Intelligence Digest."

If it is decided to designate D/E as the responsible element of CIA for this work, it is estimated that it will require as a minimum the following additional personnel: 1 GS-14, 1 GS-11, 1 GS-9, 1 Secretary, GS-5, 1 Clerk, GS-5, 1 Clerk, GS-4. This personnel can not be made available from the staff presently assigned to the Division unless and until replacements are available for any of the present personnel so assigned. The duties of the present staff of D/E will be increased as a result of the new responsibility.

RECOMMENDATIONS:

It is recommended

- a. that the proposal of the Intelligence Working Group be approved,
- b. that D/E be authorized to implement the plan, and
- c. that the additional personnel required be made available by transferring, if feasible, personnel from other elements of the Agency.

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